



THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-1200

HEALTH AFFAIRS

MAR 01 2004

The Honorable John McHugh  
Chairman, Subcommittee on Total Force  
Committee on Armed Services  
U.S. House of Representatives  
Washington, DC 20515-6035

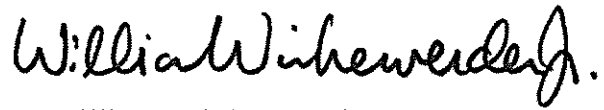
Dear Mr. Chairman:

I am pleased to provide you with the enclosed Department of Defense (DoD) Evaluation of the TRICARE Program Fiscal Year 2004 Report to Congress. This report responds to the annual requirement outlined in Section 717 of the National Defense Authorization Act for Fiscal Year 1996, Public Law 104-106, which requires the Assistant Secretary of Defense (Health Affairs) to conduct an evaluation of the effectiveness of TRICARE in meeting the goals of improving access and quality of healthcare for our beneficiaries, while controlling costs for them and for the government. The enclosed report and appendix represents the results of the Department's effort to meet these objectives as outlined in the public law.

This year the report includes many of the Balanced Scorecard metrics I rely on to measure near and mid-term performance in those areas determined as critical to our longer-term TRICARE goals. I believe the linkage of improving TRICARE performance through standardized metrics is critical to achieving my vision for a world-class Military Health System (MHS). A number of findings reflect the magnitude of the TRICARE program and efforts to improve performance. The number of beneficiaries eligible for DoD medical care increased from 8.4 million in FY 2001 to 9.1 million in FY 2003, higher than we originally projected at the beginning of the fiscal year. The increase is largely due to the mobilization of large numbers of Guard/Reserve members and the extension of benefits to their family members. Overall, MHS workload increased for all major components of care between FY 2001 and FY 2003: inpatient care (dispositions by 9 percent and bed days 7 percent), outpatient visits (8 percent), and prescription drugs (5 percent), excluding the very large effect of TRICARE Senior Pharmacy (TSRx). MHS beneficiary satisfaction with the overall TRICARE plan, as well as with health care, one's personal physician, and specialty care are improving over time. Levels of MHS satisfaction are comparable to civilian benchmark levels in some instances, but lag civilian levels in others.

I thank you for your continued support of the Department's TRICARE Program.

Sincerely,

A handwritten signature in black ink, reading "William Winkenwerder, Jr." in a cursive script.

William Winkenwerder, Jr., MD

Enclosure:

As stated

cc:

Representative Vic Snyder